

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-266-E - ORDER NO. 2011-565

AUGUST 16, 2011

IN RE: Application of South Carolina Electric & Gas Company Requesting Approval to Sell Real Property to the County of Charleston, South Carolina and Request for Waiver of Bid Requirement)	ORDER WAIVING BID REQUIREMENT AND APPROVING SALE OF PROPERTY
)	

Pursuant to S.C. Code Ann. § 58-27-1300 (Supp. 2010), this matter comes before the Public Service Commission of South Carolina ("Commission") on a request by South Carolina Electric & Gas Company ("SCE&G" or the "Company") to transfer approximately 10 acres of real property ("Tract") with a current book value of \$5,909,521 and an approximate market value of \$8,500,000 to the County of Charleston ("Charleston County"). According to SCE&G, the Tract, located at 3691 Leeds Avenue, near the intersection of Leeds Avenue and Azalea Drive in North Charleston, has on it a building consisting of office space and a manufacturing warehouse. Since purchasing the tract in 1985, SCE&G has made various improvements and has used the property to support its utility operations in the Charleston area. However, the Company is in the process of consolidating its Charleston area facilities and operations to a single, central operations facility located in Charleston County on Aviation Avenue. The Company anticipates that the transition to Aviation Avenue will be complete in August 2011.

SCE&G has negotiated an agreement to sell the tract at issue to Charleston County. The County plans to use the property to house its sheriff's department, coroner's

office, and magistrate's office. Under the sales agreement, Charleston County would purchase the tract for a payment totaling \$4,500,000. If the fair market value of the land, based upon a new appraisal to be conducted later this year, exceeds the purchase price, the transaction would be treated as a bargain sale and treated as such for tax purposes. Accordingly, a portion of the transaction will constitute a charitable gift to Charleston County. In accordance with the FERC Uniform System of Accounts prescribed for public utilities, as adopted by the Commission, any gain or loss realized from this transaction will be recorded as a "Gain or Loss on Disposition of Property" and "Accumulated Provision for Depreciation of Utility Plant" as circumstances require.

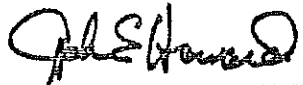
S.C. Code Ann. § 58-27-1300 (Supp. 2010) requires South Carolina electric utilities to obtain approval from the Commission when the utility seeks to "sell, assign, transfer, lease, consolidate, or merge its utility property" in excess of \$1,000,000. Additionally, Commission Order No. 92-931 (November 13, 1992) requires SCE&G to engage in a competitive bidding process for sales of property with an appraised value in excess of \$50,000. The purpose of Order No. 92-931 is to protect against affiliate preferences and insure that SCE&G disposes of real property in a manner that promotes fair and equitable treatment of the parties to the transaction, potential bidders, and its customers. The Company seeks a waiver from the bidding requirement of this Order, stating that it has no current use or plans for the tract, and has identified a purchaser who is willing to use the property to provide public services to the residents of Charleston County. The purchaser is unaffiliated with SCANA or any of its subsidiaries.

We find that no affiliate preferences exist, and that the terms of sale of the property satisfy the fair and equitable considerations prescribed for waiver of the competitive bidding requirement of Order No. 92-931.

It is therefore ordered that the competitive bidding requirement of Order No. 92-931 is waived, and SCE&G's request to sell the Tract to Charleston County for the stated value is approved.

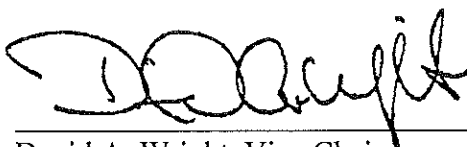
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)